

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re JOANN INC., *et al.*,<sup>1</sup>  
Debtors.

Chapter 11  
Case No. 25-10068 (CTG)  
(Jointly Administered)  
**Re: D.I. 1507**

**STATEMENT OF ADVANTUS, CORP., FAIRFIELD PROCESSING  
CORP., GWEN STUDIOS, LLC, LOW TECH TOY CLUB, LLC,  
ORMO ITHALAT IHRACAT A.S., AND SPRINGS CREATIVE PRODUCTS  
GROUP, LLC, TO THE MOTION OF MICHAEL PRENDERGAST,  
JEFFREY DWYER, ROBERT WILL, CHRISTOPHER DITULLIO,  
HEATHER HOLODY, MICHAEL KENNEDY, AND MELISSA BOWERS  
FOR RELIEF FROM THE AUTOMATIC STAY, TO THE EXTENT  
APPLICABLE, TO ALLOW PAYMENT AND/OR ADVANCEMENT OF  
DEFENSE COSTS AND RELATED EXPENSES UNDER INSURANCE POLICY**

Advantus, Corp., Fairfield Processing Corp., Gwen Studios, LLC, Ormo Ithalat Ihracat A.S., Low Tech Toy Club LLC, and Springs Creative Products Group, LLC (the “Ohio Plaintiffs”) hereby makes this Statement in connection with the Motion of Michael Prendergast, Jeffrey Dwyer, Robert Will, Christopher Ditullio, Heather Holody, Michael Kennedy, and Melissa Bowers for Relief From the Automatic Stay, to the Extent Applicable, to Allow Payment and/or Advancement of Defense Costs and Related Expenses Under Insurance Policy (D.I. 1507) (the “Stay Relief Motion”) filed on July 31, 2025. The Ohio Plaintiffs state as follows:

1. The Ohio Plaintiffs, each a general unsecured creditor of the Debtors, are the plaintiffs in in the action captioned originally captioned *Advantus, Corp., et al. v. Prendergast, et al.*, Case No. CV-2025-05-2241 (Ohio C.P.) and now captioned following removal by the Ohio

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); Dittopatterns LLC (0452); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors’ mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

Defendants, *Advantus, Corp. v. Prendergast*, No. 5:25-cv-01250-JRA (N.D. Ohio) (the “Ohio Action”). The complaint filed in the Ohio Action asserts causes of action against certain of the Ohio Defendants for common law fraud and negligent misrepresentation. Those causes of action relate to particular statements and omissions made in the course of each of the Ohio Plaintiffs’ individual interactions with one or more of the Ohio Defendants. Each of the Ohio Plaintiffs sold goods to JOANN and certain of the other Debtors on credit based on misrepresentations (or omissions related thereto) made by the Ohio Defendants.

2. The Ohio Plaintiffs disagree with the manner in which the Ohio Action is characterized, including statements paragraphs 1, 13, and 21 of the Stay Relief Motion. At the same time, the Ohio Plaintiffs do not have any objection to the relief sought by the Ohio Defendants.<sup>2</sup> Thus, the Ohio Plaintiffs file this statement merely to officially lodge their disagreement, and reserve all rights with respect to the Ohio Defendants’ characterization of the Ohio Action.

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<sup>2</sup> For the reasons set forth in paragraphs 16 through 20 of the Stay Relief Motion, the Ohio Plaintiffs do not believe that Section 362(a)’s automatic stay applies to the proceeds of the insurance policies.

Additionally, the Ohio Plaintiffs do not believe that 11 U.S.C. § 362(a)’s automatic stay applies with respect to the assets vested in the “Wind-Down Debtors” upon the “Effective Date” of the Debtors’ Second Amended Joint Chapter 11 Plan of JOANN Inc. and its Debtor Affiliates (Technical Modifications) (D.I. 1353), which occurred on July 16, 2025 (*see* D.I. 1416). *See In re IT Grp., Inc., Co.*, 339 B.R. 338, 342 (D. Del. 2006) (“Section 362 is not applicable in this case, because the automatic stay terminated on the Effective Date of the Plan.”); *see also* 3 *Collier on Bankruptcy*, ¶ 362.06 (16th 2025) (“11 U.S.C. § 1141(b) provides that unless otherwise provided for in the order, confirmation vests all property of the estate in the debtor.” (internal citations omitted)).

Dated: August 7, 2025

**GRANT & EISENHOFER P.A.**

/s/ Frank H. Griffin

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